Message Text

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PAGE 01 GENOA 00140 140751Z ACTION EUR-12

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SUBJ: TASSELLI'S DEATH PROMPTS TOP MANAGEMENT CHANGES IN THE
PUBLIC ENERGY SECTOR

SUMMARY

THE DEATHS OF THREE TOP MANAGEMENT OFFICIALS IN AN AUTOMOBILE ACCIDENT ON FEBRUARY 15 HAS FORCED A SHUFFLE AT THE TOP LEVEL IN IRI-FINMECCANICA NUCLEAR GROUP HEADQUARTERED IN GENOA. KILLED WERE ING. RENZO TASSELLI, PRESIDENT OF ANSALDO MECCANICO NUCLEARE (AMN) AND ITS SUBSIDIARIES, NIRA (NUCLEARE ITALIANA REATTORI AVANZATI) AND SAIGE (THE ARCHITECTURAL-DESIGN AND CONSTRUCTION DIVISION), ING. ENRICO CAPPA, AMN S DIRECTOR GENERAL, AND ING. MARCO AURELIO BO, THE FIRM S DEPUTY COMMERCIAL DIRECTOR. ACTING WITH UNUSUAL SPEED, IRI-FINMECCANICA NAMED ING. DANIELE MILVIO, PRESIDENT AND GENERAL MANAGER OF THE ANSALDO MANUFACTURING DIVISION (ANSALDO SOCIETA GENERALE ELETTROMECCANICA) TO SUCCEED TASSELLI AS PRESIDENT OF AMN, NIRA, AND SAIGE. MILVIO S NEW RESPONSIBILITIES PLACE HIM IN CHARGE OF BOTH THE PLANNING/DESIGN UNCLASSIFIED

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PAGE 02 GENOA 00140 140751Z

AND MANUFACTURING SECTIONS OF THE STATE-CONTROLLED NUCLEAR INDUSTRY THAT HAD BEEN SEPARATED UNDER A REORGANIZATION THAT TOOK PLACE LATE LAST YEAR. ING.GIUSEPPE ARSELLI WAS NAMED AMN S NEW DIRECTOR GENERAL WITH ING. GIOVANNI GAMBARDELLA ELEVATED TO NIRA S GENERAL MANAGER. THESE MANAGEMENT CHANGES ARE UNLIKELY TO PRODUCE ANY MAINSHIFTS IN THE THRUST AND DIRECTION OF THE GOI S NUCLEAR ENERGY PROGRAM. END SUMMARY.

- 1. TASSELLI, WHO CAME TO ANSALDO IN THE LATE 1960'S FROM THE NATIONAL NUCLEAR ENERGY AGENCY (CNEN), WAS AN ARTICULATE SPOKESMAN FOR THE ITALIAN NUCLEAR ENERGY PROGRAM AND HAD GAINED AN INTER-NATIONAL REPUTATION FOR HIS WORK ON SECOND GENERATION REACTOR SYSTEMS. HE WAS A STRONG PROPONENT OF THE DEVELOPMENT OF AN ITALIAN/EUROPEAN INDEPENDENT NUCLEAR CAPABILITY TO LESSEN OVER-DEPENDENCE ON U.S. TECHNOLOGIES. UNDER TASSELLI'S GUIDANCE, AMN S VARIOUS DIVISIONS CONDUCTED R AND D AND DESIGN/ENGINEERING STUDIES AS LICENSEES FOR GE'S BWR NUCLEAR REACTORS AND THE CANDU HWR, AS WELL AS WORK ON THE ITALIAN HWR PROTOTYPE (CIRENE) AND FAST BREEDER PROTOTYPE (PEC), AND PARTICIPATED IN THE CELEBRATED SUPER-PHENIX PROJECT IN FRANCE. TASSELLI'S GOAL WAS TO DEVELOP AMN S CAPABILITIES TO OFFER A COMPLETELY ITALIAN-DESIGNED AND MANUFACTURED NUCLEAR SYSTEM FOR EXPORT. IN EARLY 1977, HE NOTED THAT QUOTE IN ITALY THERE IS ROOM FOR ONLY ONE LARGE AND COMPETITIVE NUCLEAR INDUSTRY. OTHERWISE, WE CONTINUE TO PRODUCE AND MOUNT FOREIGN PLANTS UNDER LICENSE THUS LIMITING THE ITALIAN ROLE TO SIMPLY INFERIOR TECHNOLOGIES.UNQUOTE
- 2. BEFORE HIS PRESENT APPOINTMENT TO ANSALDO'S TOP MANAGEMENT POSTS, MILVIO WAS SERVING AS GENERAL MANAGER FOR BOTH BREDA TERMOMECCANICA AND TERMOSUD, TWO MEMBERS OF IRI-FINMECCANICA S ENERGY MANUFACTURING GROUP RECENTLY MERGED WITH ANSALDO. FROM HIS BACKGROUND, MILVIO APPEARS TO HAVE MUCH MORE EXPERIENCE IN INDUSTRIAL MANAGEMENT THAN TASSELLI WHO WAS, FIRST AND FOREMOST, UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GENOA 00140 140751Z

A NUCLEAR ENGINEER, AND SECONDLY, AN ADMINISTRATOR. MILVIO NOW HEADS AN ANSALDO ORGANIZATION (EMPLOYING MORE THAN 18,000 WORKERS) WHOSE MANUFACTURING DIVISIONS REPORTED 1977 SALES OF 556 BILLION LIRE (DLRS 654.1 MILLION), A 37 PERCENT IMPROVEMENT OVER 1976, AND NEW ORDERS OF 924 BILLION LIRE (DLRS 1.1 BILLION) WITH 50 PERCENT DESTINED TO OVERSEAS MARKETS.

COMMENT

FINMECCANICA S SELECTION OF MILVIO TO FILL TASSELLI S VACANT POST IS VIEWED AS A LOGICAL CHOICE TO PREVENT SERIOUS MANAGERIAL PROBLEMS FROM EMERGING FROM WITHIN THE ENLARGED ANSALDO GROUP. A SECOND FACTOR MAY BE TO PREVENT ANY SLIPPAGE IN THE RECENTLY NEGOTIATED FIAT-FINMECCANICA ACCORD THAT THE PRESS DESCRIBES AS A MAJOR STEP IN ENDING THE BITTER RIVALRY BETWEEN THE PUBLIC AND PRIVATE SECTORS OF ITALY'S NUCLEAR INDUSTRY.

IN SEVERAL KEY AREAS, MILVIO'S VIEWS MAY DIFFER FROM THOSE
OF TASSELLI. THIS INCLUTES THE QUESTION OF PRIVATE VERSUS PUBLIC
CONTROL OF THE ITALIANNUCLEAR INDUSTRY. TASSELLI WAS A VOCAL
ADVOCATE OF CONCENTRATING ITALIAN NUCLEAR RESOURCES UNDER PUBLIC
CONTROL AND BELIEVED THAT THE PRIVATE SECTOR S ROLE SHOULD BE
LIMITED. AS A KEY ARCHITECT IN THE FIAT-FINMECCANICA AGREEMENT,

MILVIO INDICATED THAT HE SUPPORTS INCREASED COOPERATION BETWEEN THE PRIVATE AND PUBLIC SECTORS IN ITALY S NUCLEAR ENERGY DEVELOPMENT.DI SCIULLO

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